



CALIFORNIA EMERGENCY MANAGEMENT AGENCY
LOCAL ASSISTANCE MONITORING BRANCH
3650 SCHRIEVER AVENUE
MATHER, CALIFORNIA 95655
PHONE: (916) 845-8120 FAX: (916) 845-8380

August 17, 2009

Mr. Michael Markus, General Manager
Orange County Water District
18700 Ward Street
Fountain Valley, CA 92708

SUBJECT: MANAGEMENT DECISION – SINGLE AUDIT REPORTS
FOR THE PERIODS ENDED JUNE 30, 2007 AND JUNE 30, 2008,
FINDING 2007-01 AND FINDING 2008-01
FIPS #059-91016

Dear Mr. Markus:

The California Emergency Management Agency (CalEMA) has reviewed the June 30, 2008 audit report issued by Diehl, Evans & Company LLP on September 19, 2008. The report had a repeat finding relating to Major Federal Awards.

Finding 2008-01 references the OMB Circular A-133 compliance guidelines, and states that the contractor must comply with the requirements of the Davis-Bacon Act and submit weekly a copy of the payroll and statement of compliance.

Public Assistance and Hazard Mitigation Assistance grants awarded under the Stafford Act are not required to comply with the Davis-Bacon Act. Therefore, with this letter CalEMA considers Finding 2008-01 and the prior year like finding 2007-01 resolved.

Thank you for addressing the referenced program issue in a timely and effective manner. Should you have any questions or concerns regarding this issue, please contact Don MacMillan, CalEMA Local Assistance Monitoring Branch, at (916) 845-8107 or email at don.macmillan@oes.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Catherine Lewis".

CATHERINE LEWIS
INTERIM BRANCH CHIEF

cc: Casandra Moore-Hudnall, State Controller's Office